

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
Docket No. D.T.E. 02-24/25  
Record Request Response

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**Record Request No.: DOER-RR-07 (Common)**

Please explain why Account 925 was not provided as a separate allocation (i.e., confirm there were no funds in it, whatever the reason).

**Response:**

Fitchburg Gas & Electric (FG&E) complied with the Department's directive in DTE 98-51. In that order FG&E was requested to allocate the costs of the rental program similar to that by MECo in Order 89-194/195. FG&E followed the specific recommended allocations as outlined on page 51 of that order. However, account 925, General Liability and Damages, was not listed with a particular recommended cost allocation driver, and was inadvertently excluded from MHC-7-17 (Gas) and MHC-7-14 (Electric). In order to comply with order DTE 98-51, FG&E has determined that the cost causation principle that most affects insurance costs is the Gross Plant Allocation. Therefore, FG&E has used gross plant allocator for both insurance accounts, 924 – property insurance, and 925 – liability insurance.

The additional costs to be included on MHC-7-17 and MHC-7-14 to reduce cost of service from the gas and electric filings are \$5,288 and \$130, which are calculated below. These revised schedules will be included in the next update to DTE-RR-6.

<b>GAS</b>		
20-10-08-00-925-00-00	D&O and Fiduciary	\$12,846
20-10-08-00-925-02-00	General Liability	39,589
20-10-08-00-925-02-02	General Liability Stop Loss	33,538
20-10-08-00-925-04-00	Workers Compensation Expense	58,988
20-10-10-00-925-02-01	General Liability Capitalized	(4,906)
20-10-10-00-925-04-01	Workers Compensation Capitalized	(23,831)
20-10-70-00-925-01-00	Injuries & Damages Safety	9,348
20-10-70-00-925-03-00	Injuries & Damages Environmental	27,965
Total		118,380
Total Gross Value of Rental Plant to Total Gross Value of Plant		4.467%
Allocated Amount		\$5,288

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**ELECTRIC**

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20-20-08-00-925-00-00	D&O and Fiduciary	16,945
20-20-08-00-925-02-00	General Liability	52,223
20-20-08-00-925-02-02	General Liability Claims	(16,102)
20-20-08-00-925-04-00	Workers Compensation Expense	77,812
20-20-10-00-925-02-01	General Liability Capitalized	(6,471)
20-20-10-00-925-04-01	Workers Compensation Capitalized	(31,436)
20-20-13-00-925-21-00	Injuries & Damages	-
20-20-13-00-925-22-00	Wyman 4 Injuries & Damages	-
20-20-13-00-925-23-00	Mill 3 Injuries & Damages	-
20-20-70-00-925-01-00	Injuries & Damages Safety	9,458
20-20-70-00-925-03-00	Injuries & Damages Environmental	9,871
Total		65,923
Total Gross Value of Rental Plant to Total Gross Value of Plant		0.197%
Allocated Amount		\$130

**Person Responsible:** Mark H. Collin